Rural Health Newscast

Rural Health Policy Council Office
Health & Welfare Agency
State of California

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October 26, 1998

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Final 1998 RHPC Public Meeting

Nov 19, Thursday, 2:00p.m.
Anaheim - Disneyland Hotel.

A joint public meeting of the California Rural Economic Development Council, chaired by Lee Grissom, Secretary of the California Trade and Commerce Agency; U.S. Department of Agriculture - Rural Development, Mike Reyna, State Director; and the California Rural Health Policy Council, chaired by Sandra R. Smoley, R.N., Secretary of the California Health and Welfare Agency. The meeting will be held in conjunction with the annual meeting of the California State Association of Counties.

During this unique opportunity, you will learn more about state, regional and federal activities, the directions in health, economic and community development in rural areas and the interrelationships among them.

Rural Health Policy Council 1998/99 Rural Health Services Grants

Forty-three rural hospitals, representing 31 counties, applied for and received an allocation in the Rural Hospital Services Grants Program. The total awarded amount is $656,742. Award letters were sent October 20.

As of October 20, 110 organizations applied for Rural Health Services Small Grants. Since the total of $1M for the hospital grants was not allocated, the remainder $343,258 will roll over to the Small Grants "pot." Reviews for the small grants took place October 20-21. Awards will be announced November 19.

Notes from the National Association of Rural Health Clinics Conference October 1-3, Washington D.C.

by Patricia Martin, RHPC Staff

The sixth annual NARHC conference, ***Vision '98 - A New Dawn for Rural Health Clinics***, lived up to its theme. Top officials from the Health Care Financing Administration (HCFA), the Health Resources Service Administration (HRSA), the Office of Inspector General (OIG), and rural health experts from across the country were participants and speakers. Eight exhibitors from the computer, financing, consulting, staffing, and clinical fields also participated.

Congressman Bart Stupak, who has championed the cause of rural health clinics, recommended that constituents lobby Congress for the necessity of rural health clinics and how some recent changes may eliminate many of these safety net providers. There are over 3,600 RHCs in the U.S. (195 in California).

HCFA was represented by Ms. Sally Richardson, Director, Center for Medicaid & State Operations. The key points of her presentation:
In 1991, 9.5% of Medicaid recipients were in managed care; by the end of 1997, 48% were in managed care and were mostly urban. Managed care has not been feasible in rural areas.

- Over 1/2 of Medicaid beneficiaries are members of minority groups.
- Estimates on the number of children eligible for Medicaid, but not enrolled, is 3 million.
- The #1 priority for HCFA is Y2k compliance.

Bill Finerfrock, NARHC Executive Director, spoke about the new laws and regulations and the meaning for RHCs.

- Y2k compliance may cause problems in implementing the annual increase in the cap rate. However, clinics will be made whole back to January 1, 2000 with the new rate even if Y2k implementation is delayed past 1/1/2000.
- For better cash flow, some states are triggering managed care supplemental, based on past service instead of an interim rate.
- Hospital-based Rural Health Clinics (50-bed cap). HCFA is reconsidering the definition of available hospital beds as those staffed beds which could be occupied within 24 hours, not the count of licensed beds. Therefore a 60-bed hospital could qualify if only occupied 30% (average occupancy rate).
- Governor-designated HPSAs continue to be in statute.
- A shortage area must first qualify as a Medically Underserved Area (MUA) before it can qualify as a Health Professional Shortage Area (HPSA). The proposed changes to the HPSA criteria will now include Physicians Assistants, Nurse Practitioners, and Certified Nurse Midwives as providers. However, there is no mechanism for those individuals not

(see RHCs page 2)

RHCs
(continued)

directly providing primary care (e.g. research and teaching) to be excluded.

Mary Collins, Health Insurance Specialist, HCFA, covered the Quality Assessment and Performance Improvement Program. Requirements to be dropped from the program evaluation include a review of a representative sample of both active and closed clinical records and the clinic's or a center's health care policies. Even though these requirements have been dropped from the program evaluation, it does not mean that they have been dropped from other sections of the Federal Code. Examples are: 491.10(3)(i), (ii), (iii), and (iv), Patient Health Records and 491.9(b)(1)(4), Provision of Services. The Proposed rule will be published this fall with a 60-day comment period to follow. The regulations should be finalized by the middle of 1999. Interpretative Guidelines will be developed after the regulation is final, which will take another year.

Breakout sessions covered cost reporting, staff recruitment and retention, incorporating behavioral health services into an RHC, financing for RHCs, RHC strategic business planning, telemedicine for RHCs, medical records systems, fraud and abuse, and billing issues for nurse practitioners and physician assistants. Following are some of the main points made at the sessions attended.

- Behavioral Health
  (1) Medicare does not cover group therapy.
  (2) Diagnostic testing has no cap in Medicare.
  (3) In skilled nursing facilities, only a psychologist can provide therapy under the law, but implementation of the law has been postponed for two years.
  (4) Kinds of treatment covered are individual, marital, children, co-joint marital, and testing.
  (5) Therapists can go to the home or to children at a school.
  (6) On the UB92, use 910 codes for therapy; 90843 is the Medicaid code.
  (7) Under Medicaid, 45 minutes is two units, including dictation. Phone time is not reimbursed.
- Cost-based Reimbursement (CBR)
  Elimination of CBR was not mandated by the Balanced Budget Act (BBA) of 1997; if a state decides to continue with 100% CBR, full federal participation will continue. When CBR was no longer mandated by BBA, the Iowa Legislature passed a bill to require that the Iowa Medicaid unit continue 100% CBR to RHCs.
- Shortage Area Designation Data - population estimate data can be used from any federally approved vendor for calculating MUAs and HPSAs.
- Medicare
  (1) Independent RHCs can bill Medicare Part B for more "elite" lab tests.
  (2) Telemedicine site of presentation (exam) must be from a rural, shortage-designated area.
  (3) HCFA will soon be issuing Revision 28 to the RHC manual, which updates the guidelines for mammography services as a result of BBA '97. This modification provides for annual mammographies for women over age 39. The Part B deductible will also be waived. RHCs are instructed to bill their local Part B Carrier for the services on the HCFA-1500 claim form.
- Medicaid Cost Reports
  (1) Provider productivity standards are calculated in the aggregate.
  (2) In counting beds (for hospital-based RHCs), do not factor in labor rooms, psych rooms, post-op beds, ER beds, observation beds, or beds that can't be used for an overnight stay.
- Midlevel Staffing Waiver
  (1) If certain criteria are met, Section 1861(aa)(7) of the Social Security Act allows HCFA to waive, for a one-year period the requirement that a nurse practitioner, physician assistant or certified nurse midwife be available to furnish patient care services at least 50 percent of the time the clinic operates.
  (2) As of January 1, 1998, new applicants requesting RHC status in the Medicare program will no longer qualify for a midlevel staffing waiver. All RHCs entering the program must have a midlevel practitioner on staff at least 50 percent of the time as required by BBA.
  (3) In the event that an RHC loses a midlevel staff person and there is evidence that attempts to hire another midlevel person over a 90 day period were unsuccessful, a staffing waiver may be requested. The request may be granted only if the RHC is already Medicare/Medicaid certified and the request is made at least 6 months after any previous staffing waiver has expired.

These are just a few of the highlights from the conference. If you need further information, please call 1-800-237-4492 and ask for Patricia Martin or e-mail Patricia at pmartin@oshpd.cahwnet.gov

Telehealth/Telemedicine Update

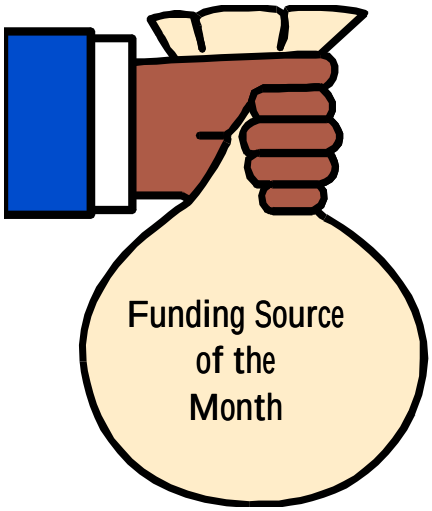
Contributed by Molly French, Director
California Telehealth & Telemedicine Center

September, 1998
Governor Wilson Signs Telemedicine Provisions in trailer bill.

With Governor Wilson's signature on August 19, 1998, telemedicine reimbursement provisions contained in AB 2780 (Gallegos, D-Baldwin Park) became effective. Now telemedicine providers can be reimbursed for services that use store-and-forward and other technologies that meet a specified standard. In addition, the Department of Health Services (DHS) must prepare a report on the use of telemedicine to provide: home health care; emergency care; critical and intensive care, including neonatal care; psychiatric evaluation; psychotherapy; and medical management.

AB 2780 amended the telemedicine code to clarify that the requisite 'interactive' system can be "an audio, video, or data communication involving a real time (synchronous) or near real time (asynchronous) two-way transfer of medical data and information." Thus, Medi-Cal will reimburse providers who use interactive/still image or store-and-forward systems to provide care. These systems "must be of a level of quality to adequately complete all necessary components to document the level of service for the CPT-4 code billed." The California Telehealth & Telemedicine Center (CTTC) will work with the DHS Medi-Cal Benefits Branch to incorporate the new provisions into Medi-Cal policy and provide information for the legislative report.

On August 6, Governor Wilson signed SB 2150 (Peace, D-El Cajon), which requires the Public Utilities Commission to consider establishing a new regulatory framework. Such a framework would ensure that the public has access to basic local exchange service, apply appropriate rules to all telecommunications service providers and encourage the provision of advanced, high speed digital telecommunications services to the public. This proceeding must occur by January 1, 2000.



Kresge Foundation

Awarded grants of $95 million to 180 organizations last year. Grant recipients must raise funds before requesting Kresge's assistance.

Focus: Health and human services, substance abuse projects that involve major building, renovation or capital equipment projects (including computer software), or an integrated system costing not less than $300k. Real estate purchase also qualifies.

Eligibility: Nonprofits
Deadline: None
Contact Information:
Elizabeth Sullivan
Kresge Foundation
P.O. Box 3151
3215 Big Beaver Road
Troy, MI 48007-3151
Phone: (248) 643-9630

Proposed Rural Health Policy Council Public Meeting Schedule for 1999

March 18, Friday, 9:30am-11:30am
Fish Camp
Tenaya Lodge. In conjunction with the California Healthcare Association/Rural Healthcare Center's Rural Healthcare Symposium.

May 28, Friday
San Diego
Sheraton Hotel. In conjunction with the National Rural Health Association's 22nd Annual National Conference on Rural Health. Time TBA.

September 22, Wednesday
South Lake Tahoe
Embassy Suites. In conjunction with the fall 1999 conference of the Regional Council of Rural Counties. Time TBA.

November 18, Thursday
Monterey
In conjunction with the Annual Meeting of the California State Association of Counties. Time and location TBA.

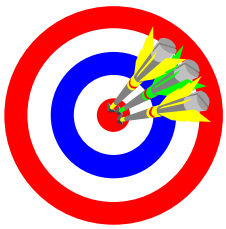
The California Endowment

The Endowment has announced its 5-year strategic plan in its new brochure, *Communities First.* The four areas of interest include access, community innovation, health & well-being, and multicultural health.

Application workshops will be held on the following dates and locations: Los Angeles, Nov. 12; San Jose, Nov. 13; Sacramento, Nov. 18; Fresno, Nov. 19; San Diego, Nov. 20; and Oakland, Nov. 20. To obtain a workshop registration form, call the Endowment at (800) 449-4149 or visit their website at:

communitiesfirst@calendow.org

Jobs Available Program Hits the Mark



One of the proudest achievements of the Policy Council Office is the steady increase in the number of job listings AND the number of filled positions. This service is managed by Kathleen Maestas . Kathleen works with all types of healthcare providers to list their clinical, administrative and ancillary position vacancies. Current stats:

456 positions filled
225 patient care
59 ancillary
172 administrative
128 active positions
88 patient care
9 ancillary
31 administrative

Department of Aging Senior Funding

Contributed by Gary Kuwabara, Deputy Director, Dept of Aging

The Governor's Budget for 1998-99 included additional funding for senior programs that will provide the ability to access various senior services throughout California. Funding for programs such as the Alzheimer Day Care Resource Centers, Foster Grandparent, Linkages, Respite, and Brown Bag have been allocated to Area Agencies on Aging, which administer these programs at the community level. The Area Agencies will be contracting for these services through local procurements. If you are interested in learning more about these programs, you may contact the Area Agency on Aging for your area by calling 1-800-510-2020.

For Your Information

One of our alert readers, Patricia Talbot, Director of the Sonoma Valley Community Health Center, recommends that when there are requirements to use data on migrant and seasonal workers and their dependents, a useful publication is the Atlas of State Profiles, published by the Migrant Health Branch of the Division of Primary Care Services, Bureau of Health Care Delivery and Assistance, Health Resources and Service Administration. The Atlas estimates the number of these population segments by county. It also shows 19 agricultural areas and the 7 agricultural area seasons on a California map. Ms. Talbot also suggests that those needing person-trip information check with the Division of Tourism at the California Trade and Commerce Agency or their local tourism department.

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